

Exhibit 11

In The Matter Of:

LEHMAN BROTHERS HOLDINGS INC., et al.,

JAMES K. PATERSON - Vol. 1

March 1, 2012

***HIGHLY CONFIDENTIAL INFORMATION
GOVERNED BY PROTECTIVE ORDER***

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2	That's okay. It's not okay to	13:22:58
3	have them give you money for a day and you	13:22:59
4	give them principal plus interest back. But	13:23:01
5	it is okay to do this compensating balance	13:23:04
6	thing. So that's the mechanic that I'm	13:23:07
7	referencing.	13:23:09
8	Q. Okay.	13:23:09
9	A. So it's an indirect way of	13:23:10
10	paying a rate.	13:23:12
11	Q. Okay. So you're -- and we've	13:23:13
12	seen this with respect to the collateral posts	13:23:17
13	that we've been talking about today. But	13:23:21
14	you're talking about paying a rate to Lehman	13:23:22
15	on the deposit. In your position as head of	13:23:24
16	funding, do you then use that cash to earn a	13:23:29
17	rate for the bank, for JPMorgan?	13:23:36
18	A. It impacts our funding	13:23:41
19	position. So it either increases the surplus	13:23:46
20	funding we have or it decreases the funding	13:23:49
21	need, and that in and of itself has -- is a --	13:23:52
22	that creates a source of funds of which	13:23:58
23	there's value attached. There is a value	13:24:01
24	attached to having those funds, you know. So,	13:24:03
25	you know, that's how I think about it.	13:24:08

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2 So functionally, yes. Do we 13:24:13
3 use it and utilize it and, like, take those 13:24:16
4 funds and ... it's a use of funds, or it's a 13:24:18
5 source of funds, which has value, because all 13:24:23
6 things being equal, those funds that come into 13:24:26
7 the bank, like any other funds, have value to 13:24:30
8 us. Either whether we get paid through the 13:24:33
9 Fed, or whatever. Or it reduces our need for 13:24:36
10 funds. 13:24:39

11 Q. Okay. And the next sentence 13:24:41
12 says, "I do have manual capacity to hold 13:24:42
13 deposits as collateral, though very manual in 13:24:45
14 the back office and not pretty." 13:24:48

15 What are you referring to when 13:24:51
16 you say you "have manual capacity to hold 13:24:52
17 deposits as collateral"? 13:24:54

18 A. I think -- this is my 13:24:56
19 impression, and this is during a period of 13:25:00
20 stress. This is my recollection. I know that 13:25:02
21 the bank has deposits held as collateral 13:25:08
22 against loans or against, you know, this, 13:25:13
23 that, and the other. There are some deposits 13:25:16
24 that I have taken into the Nassau branch, you 13:25:19
25 know, so I run fundings through New York, I 13:25:23